

DEBT SERVICE FUND OVERVIEW

The Debt Service Fund is used to account for resources that are restricted, committed, or assigned for payment of certain debt obligations and related costs. Major sources of revenue for the fund include ad valorem taxes, local option sales taxes, loan repayments from other internal service centers, proceeds from the sale of delinquent ad valorem tax receivables, and Tourism Development Zone revenue.

General obligation bonds and notes are direct obligations of the City. The full faith, credit and unlimited taxing power of the City as to all property subject to ad valorem taxation within the City are pledged to the payment of the principal of and interest on the City's general obligation debt.

Although there are no statutory limitations on the amount of general obligation debt the City can issue, the City conducts its finances so that the amount of general obligation debt outstanding does not exceed twelve percent (12%) of the City's taxable assessed valuation.

The City manages its general obligation debt conservatively as it does not have any outstanding variable rate debt or derivative agreements, although both are permitted in the City's Debt Management Policy and Procedures manual. The City does, however, utilize commercial paper proceeds as a source of interim construction financing for projects contained in the City's CIP Budget. Commercial paper has proven to be a low cost source of funds for the City.

The size of the City's Commercial Paper Program is \$150 million which, if fully utilized, would represent approximately 12% of outstanding general obligation debt. Such percentage falls within generally accepted guidelines for variable rate or short term debt exposure.

Moody's Investors Service, Inc. ("Moody's") and Standard & Poor Global Ratings ("S&P" and, together with Moody's, the "Rating Agencies") have assigned ratings of "Aa2" and "AA", respectively, to the City's general obligation bonds. Such ratings express only the views of the Rating Agencies. An explanation of the significance of such ratings may be obtained from the Rating Agencies furnishing the ratings. There is no assurance that either or all of such ratings will be maintained for any given period of time or that it will not be revised or withdrawn entirely by the Rating Agencies if, in the judgment of the respective Rating Agency, circumstances so warrant.

In addition to general obligation debt, the City issues leases and other appropriation obligations whereby the City budgets and appropriates legally available funds each fiscal year for the payment of principal of and interest on such obligations.

DEBT SERVICE FUND

LEGAL LEVEL

Category	FY 2016 Actual	FY 2017 Adopted	FY 2017 Forecast	FY 2018 Budget
Revenues and Other Sources				
Current Property Taxes	\$ 115,050,156	\$ 115,900,000	\$ 117,000,000	\$ 116,000,000
Delinquent Property Taxes	2,474,700	2,400,000	3,300,000	3,000,000
Sale of Delinquent Property Tax	1,543,326	3,500,000	1,700,000	1,500,000
Local Option Sales Tax	8,214,027	8,200,000	8,351,484	8,500,000
In Lieu Of Taxes-Contractual	1,615,226	1,964,678	1,964,678	1,964,678
Tourism Development Zone	16,818,431	23,500,000	17,490,648	17,500,000
Use of Money	348,147	223,000	223,000	145,000
Federal Grants	2,354,486	2,355,769	2,355,769	2,327,146
Other	2,804,107	2,323,700	2,023,700	2,002,535
Issuance of Refunding Debt	75,379,629	-	-	-
Transfer In - Hotel-Motel Tax	-	1,366,517	-	-
Transfers In - State Street Aid	1,768,300	1,768,300	1,768,300	1,768,300
Transfers In - Solid Waste	5,055,687	4,553,723	4,553,723	4,553,000
Transfers In - New Arena Fund	3,693,896	-	4,858,620	4,858,600
Transfers In - Stormwater	1,893,502	3,787,004	3,787,004	3,739,477
Transfers In - GF	5,313,863	5,360,125	5,360,125	4,726,825
Transfers In - Other	193,621	194,496	194,496	-
Contribution from Restricted Pyramid Fund Balance	-	-	-	-
Contribution from Restricted Ballpark Fund Balance	-	-	-	-
Contribution from Committed Fund Balance	-	-	-	-
Total Revenues and Other Sources	244,521,104	177,397,312	174,931,547	172,585,561
Expenditures and Other Uses				
Principal - Serial Bonds, Notes and Leases	93,770,508	94,712,122	96,408,099	97,237,865
Interest - Serial Bonds, Notes and Leases	65,401,067	65,806,403	64,982,596	62,994,156
Liquidity/Remarketing Fees	650,761	-	742,500	742,500
Other (M&S & COI & Svrc. Chrg.)	305,623	1,253,890	563,460	509,890
Retirement of Refunded Debt	75,000,000	-	-	-
Bond Sale Expenses	687,683	-	-	-
Transfers Out - Use of Pyramid Fund Bal.	-	-	-	-
Contribution to Restricted Pyramid Fund Balance	-	-	-	-
Contribution to Restricted Ballpark Fund Balance	-	-	-	-
Contribution to Committed Fund Balance	-	500,000	-	-
Total Expenditures and Other Uses	235,815,642	162,272,415	162,696,655	161,484,411



DEBT SERVICE FUND

LEGAL LEVEL

Category	FY 2016 Actual	FY 2017 Adopted	FY 2017 Forecast	FY 2018 Budget
Contribution to (Use of) Fund Balance	8,705,462	15,124,897	12,234,892	11,101,150
Restricted Fund Balance - Beg. of Year	30,081,000	26,900,980	29,387,000	36,214,750
Contribution to (Use of) Fund Balance	(694,000)	7,938,601	6,827,750	6,734,178
Restricted Fund Balance - End of Year	29,387,000	34,839,581	36,214,750	42,948,928
Committed Fund Balance - Beginning of Year	22,742,000	27,101,162	31,868,000	37,275,142
Contribution to (Use of) Fund Balance	9,126,000	7,186,296	5,407,142	4,366,972
Committed Fund Balance - End of Year	31,868,000	34,287,458	37,275,142	41,642,114

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Forecast	FY 2018 Request
Fund Balance Beginning of Year		61,255	61,255	77,249
Fund Balance End of Year	61,255	76,380	77,249	88,350

